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UNCLAS KUWAIT 004084

SIPDIS

SENSITIVE

TREASURY FOR OFAC; STATE FOR EB, NEA

E.O. 12958: N/A

TAGS: [EFIN](#) [EAID](#) [IZ](#) [KU](#)

SUBJECT: AMBASSADOR PRESSES AGAIN FOR DFI DISBURSEMENT

REF: A. KUWAIT 2624

- [B](#). KUWAIT 1900
- [C](#). KUWAIT 1777
- [D](#). KUWAIT 1733
- [E](#). KUWAIT 1557

Sensitive but unclassified; protect accordingly.

1. (SBU) On September 14, Ambassador asked Ministry of Foreign Affairs Acting Under Secretary Khalid Al-Babtain for an update on GOK consideration of release of frozen funds to the Development Fund for Iraq. Al-Babtain promised to check and got back to the Ambassador on the 18th. He said that the question of how to deal with the single claim by a Kuwaiti company was being presented by the legal office of the Foreign Ministry to the Legal Advice and Legislative Department of the Council of Ministers. Al-Babtain mentioned in passing that the company is an Al-Ghanim company, but not the major Al-Ghanim conglomerate that has the GM concession among other things. Rather it is a smaller company that had a business related to doors and shutters. Al-Babtain did not know the amount of the claim but agreed that it was unlikely to approach anything near the 77 million dollar plus currently being held. He repeated the idea we had heard previously from the Foreign Ministry that perhaps an amount equivalent to the claim could be held back and the rest of the money released. He said he had asked for an answer from the MFA's Legal Department on the overall matter in no more than a week's time.

2. (SBU) Comment: We have raised this issue numerous times and received numerous promises that it would be acted upon promptly. Although the Kuwaitis have never drawn the connection, the GOK slowness may be related to their continuing concern that the UN Compensation Commission funds will be further eroded and that their outstanding claims related to the first Gulf War will not be honored. If there are opportunities during UNGA meetings, USUN or Department officials may wish to remind the Foreign Minister of his government's commitment to resolve the DFI matter.

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